**Module 5: Health Insurance**

**Learning objectives:**

**PowerPoint: How does insurance work: All slides**

1. Understand how insurance works
   1. 4 principles of how insurance works
2. What are issues with health insurance?
   1. Adverse selection
      1. What is it, why is it a problem, what can you do about it
   2. Moral hazard
      1. What is it, why is it a problem, what can you avoid it?

**PowerPoint: Chapter 4: Health Insurance (Slides: 8, 10, 11, 12, 13, 24, 25, 26, 27, 28, 30, 31, 32) – read corresponding book chapter**

1. Differentiate between types of health insurance
2. Why do we call health insurance third-party payers?
3. Understand risk aversion
4. Understand the tax benefits of employer sponsored health insurance
5. Understand international timeline of health insurance
6. Understand history of health insurance in the US
7. Understand the resulting mixed payer system that exists in the US

**PowerPoint: Chapter 5: Health Insurance (Slides: ALL) – read corresponding book chapter**

1. Understand insurance terminology
2. Understand different types of public and private health insurance programs
3. Understand the differences of public/private regarding coverage and payers
4. Understand different types of insurance (indemnity, managed care, and CDHP)
5. Understand different types of provider payment methods
   1. FFS, bundled, capitation, negotiated
6. Understand the purpose of the Explanation of Benefits letter
7. Understand who regulates health insurance
8. Understand managed care contract provisions
   1. PCP, referral, gatekeeper, capitation, second-opinion, pre-certification, preadmission testing, concurrent review generic substitution, discharge planning, retrospective review, audits

**REQUIRED ADDITIONAL READINGS**

[Definitions of health insurance terms](http://www.bls.gov/ncs/ebs/sp/healthterms.pdf)

Terms to know

* Coinsurance
* Copayment
* Deductible
* FSA
* Gatekeeper
* Indemnity plan
* PPO
* EPO
* HMO
* POS
* Managed care plan
* Managed care provision (all terms)
* MSA
* Premium
* PCP
* Self-insured
* Exclusive providers
* UCR

Comparison of insurance plan characteristics (Scanned)

**Scholarly articles**

[Health Insurance and Mortality in US Adults](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2775760/)

[Uninsured, heal thyself, or: A new argument for universal health care](http://jetpress.org/v20/walker.htm)

**Videos**

[How many people are uninsured in America?](https://www.youtube.com/watch?v=a7E2678mFVY&feature=youtu.be)

[Cost of being uninsured](https://www.youtube.com/watch?v=67p3hwjoKCg&feature=youtu.be&t=25s)

[Moral hazard](https://www.youtube.com/watch?v=z-32YuOq53k)

[Adverse selection](https://www.youtube.com/watch?v=VjrKQYajLJQ)

[How do insurance companies work?](https://www.youtube.com/watch?v=eN3XASijlOQ&feature=youtube_gdata_player)

**News/non-scholarly Articles**

[Uninsured Americans 2012: More than 45 million lacked health insurance last year, CDC report](http://www.huffingtonpost.com/2013/03/21/uninsured-americans-2012_n_2918705.html)

[The uninsured](http://www.nytimes.com/2009/08/23/opinion/23sun1.html?pagewanted=all&_r=0)

[Key Facts about the uninsured population](http://kff.org/uninsured/fact-sheet/key-facts-about-the-uninsured-population/)

[Overview of the uninsured in the US](https://aspe.hhs.gov/basic-report/overview-uninsured-united-states-summary-2011-current-population-survey)

[Insurance](http://ingrimayne.com/econ/RiskExclusion/Risk.html)

[Health insurance coverage: early release of estimates from the National Health Interview Survey](http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201012.pdf)

[What you don’t know about your health insurance can kill you](http://www.slideshare.net/guest3ccc53/what-you-dont-know-about-your-health-insurance-can-kill-you?from_search=70)

[Employer-sponsored insurance tax subsidy](http://theincidentaleconomist.com/wordpress/simply-put-employer-sponsored-insurance-tax-subsidy/)

[Moral hazard](http://theincidentaleconomist.com/wordpress/simply-put-moral-hazard/)

[Provider-insurer information asymmetry](http://theincidentaleconomist.com/wordpress/simply-put-provider-insurer-information-asymmetry/)

[Health insurers making record profits as many postpone care](http://theincidentaleconomist.com/wordpress/simply-put-provider-insurer-information-asymmetry/)

**Activities**

[Illustrating adverse selection in health insurance markets with a classroom game](https://ideas.repec.org/p/cwm/wpaper/11.html)

[Insurance lesson plans](http://www.moneyinstructor.com/insurancelessons.asp)

[Lesson Plan: Health Insurance](http://insurance.mo.gov/Contribute%20Documents/HealthInsLessonPlan.pdf)

[Lesson Plan: The US health care crisis](http://www.pbs.org/pov/criticalcondition/lesson-plan/#.UZprurXCZ8F)